

**APPROVED MINUTES
BOARD OF TRUSTEES FOR THE CITY OF GALVESTON
EMPLOYEE HEALTH BENEFITS PLAN
REGULAR MEETING
FEBRUARY 21, 2018**

1. Declaration of a Quorum, Call Meeting to Order, and Roll Call.

With a quorum present, the meeting was called to order at 1:04 p.m. by Chair Doug Balli.

Doug Balli (Chair) – Trustee
Michael Loftin – Trustee
Kent Etienne – Trustee
Stewart Goff – Trustee
Jeremy Progner – Trustee
Mark Murchison – Trustee

Stacey Minton – Boon-Chapman
Matthew Gauen – Boon-Chapman
Susan Klima – Port of Galveston
Christy Shinn – City Staff
Mareia Schreiber – City Staff

2. Conflicts of Interest.

None.

3. Public Comment on Agenda Items and Non-Agenda Items.

The City Council adopted a policy requiring that agendas for all City board, commission, and committee meetings include a section designated for public comment on both agenda items and non-agenda items. Members of the public may speak for a maximum of three (3) minutes regardless of the number of items being addressed.

No Public Comment was received.

4. Approval of the Minutes for the Regular Board Meeting of January 18, 2018.

Motion to Approve the Minutes from the January 2018 Meeting made by Mark Murchison with a second by Jeremy Progner. Unanimously approved.

5. Continuing report on implementation of CareHere Clinic participant “no show” administrative procedures, report on employee Health Risk Assessment (HRA) participation, and overall employee health plan/financial participation-utilization information.

Kent Etienne delivered a report of current Health Risk Assessment (HRA) completion. The HRA completion has increased with the City having completed 67, the Port completing two, and the Park Board completing nine. Each entity should remind employees to complete an HRA to avoid the rush near the deadline of September 30, 2018. Missed CareHere appointments (No Shows) are staying consistent each month. Each entity should remind employees of the \$25 fee for missing an appointment.

6. Discuss and consider for action a request to allow the 11-month restriction on completion of Health Risk Assessments be waived on a case-by-case basis in order for Employees to meet the deadline of September 30, 2018.

Stewart Goff: The rush near the HRA deadline could be avoided if members can have their HRA completed before the 11-month wait period.

**APPROVED MINUTES
BOARD OF TRUSTEES FOR THE CITY OF GALVESTON
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REGULAR MEETING
FEBRUARY 21, 2018**

Stacey Minton: The deadline was moved to October to help avoid the rush, but there will always be members that wait until the last month to have their HRA completed. We do allow early HRA completion on a case-by-case basis within reason. Members can request an earlier HRA if they have gone 9-10 months between appointments. If a member has completed their last HRA only a few months prior, then it would not be beneficial to have another.

Stewart Goff: It does not sound like we need to take any action at this time.

Mareia Schreiber: I obtained some background information on requests received for earlier HRA appointments, and it has not been a large issue. A few employees have requested access to earlier HRA appointments, and those requests were not always related to the HRA deadline.

7. Financial reports year-end January 2018 to include large claim cases and reimbursement by SA Benefit Services as reinsurer for year effective 10/1/2017.

Michael Loftin delivered a summary report of the plan's budget. The report is used on a monitoring basis to look at issues that need to be addressed during the current plan year and to propose the budget for the following plan year. The report serves as a snapshot of the health plan fund and how it has performed over the past few years. The plan budget is in its fourth year in a row of losses. There will be updated information for the report after more stop loss information is obtained. The City report and Boon-Chapman report are near matching. The trend for the health plan budget has been loss, and it is estimated that at the end of this budget year the plan will be down to a balance of \$2.1 million. To avoid this low balance, every number in the report should be further reviewed, and a premium increase should be taken into consideration for the next fiscal year.

Stacey Minton delivered Boon Chapman's financial report. The report shows how many employees are covered and all contributions to the fund. Total funding is estimated at \$8.1 million. The plan is currently at an 80/20 split in responsibility of employer/employee contribution which is standard. The report shows information based on when claims are paid. Some claims shown paid in the report may have been incurred in a previous year, but were not paid at that time. The report also does not account for reimbursements.

Kent Etienne: From Fiscal Year 2016 to Fiscal Year 2017, the cost per employee went up 31%. Is this normal?

Stacey Minton: That is not typical, but it was a bad year for the plan and that was expected. The transplant case was higher than expected. The report shows the usage of the Port of Galveston and the Park Board separately and the entire group as a whole. Boon-Chapman shows there is \$2.7 million in funding from member contribution this year. It is estimated that there will be \$1.5 million in medical claims this year and \$650,000 in prescriptions. This year we will see better rebates on prescriptions due to the new contract. After looking at those numbers and adding total expenses for administrative costs, stop loss, and CareHere, it looks like the plan will be \$250,000 short this year. Last year already looked worse than that by this time. Trends show that health costs are cyclical and that a plan can expect a bad year every eight to ten years. The reserve helps when those years come which is why the plan builds the reserve even on good years. The plan has to react each year to maintain grandfathered status. If the plan makes changes to react to a bad plan year, it could cost the plan its grandfathered status. In the last year, there were 16 high claims that

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were not high enough for reimbursement. Currently, there are two claimants that are over the \$175,000 stop loss amount. There will be reimbursements for these claims. The CareHere billing is also being reviewed. Each partner will pay a portion of clinic costs based on the percentage of usage of each clinic. Previously, billing was based on how many people could be accessing the clinic, but not how many were actually using it. The Galveston location does not have a rent associated with it which impacts the costs. Lab work and prescription costs are actual dollar costs for each group. The 646 Clinic has reduced staff and hours to lower costs. This is the final year on the lease at that location, so Boon-Chapman is looking at other options for that area. The City has 27% of the plan members using CareHere.

- 8. Discuss items that the Board may want to consider during the FY19 budget preparation related to Health Plan changes including those related to habilitation and rehabilitation services such as speech, occupational, and physical therapies.**

Kent Etienne: The Board typically takes an opportunity once a year to present items that have been of concern for plan members. This year may not be the best year to increase benefits given the financial concerns of the plan, but the Board should hear what the members are expressing.

Mareia Schreiber: We have had a few employees bring some concerns to the Human Resources Department.

Christy Shinn: A few employees have had issues with the restrictions on physical and speech therapy covered by the plan. The plan does not cover therapy for developmental issues and will only cover issues related to injuries and when surgery has been involved. The plan members with these concerns also feel that the plan document is not clear about there being limitations on these services.

Stacey Minton: The plan does not cover developmental issues. The plan only covers these services for repair. The services are covered when medically necessary under those guidelines.

Mareia Schreiber: Board members may want to start thinking of items that should be considered for the plan.

Stewart Goff: I think until the budget is sorted out, we should not increase any benefits.

Michael Loftin: The broad-based services are what cost more. The specialty services may not cost the plan as much.

Stacey Minton: Boon-Chapman can provide numbers for review. The Board should look into member concerns and items can be added to the agenda for next year if the budget needs to recover.

Kent Etienne: The plan communication can be improved to highlight common issues and ensure that plan members know what benefits are available.

Stacey Minton: A cost estimation can be available for April's meeting. Board members should bring their ideas forward.

- 9. Discuss tentative date(s) for next Board Meeting.**
Tentatively agreed upon for Monday, March 19, 2018 at 1:00 p.m.

- 10. Adjournment.**

**APPROVED MINUTES
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FEBRUARY 21, 2018**

Motion to Adjourn made by Stewart Goff with a second by March Murchison. Unanimously Approved. The meeting was adjourned at 2:19 p.m.



Doug Balli, Chair

Monday, March 19, 2018
Date Approved